

exchange service and was unable to complete the Value Link Calling Plus Plan because of Ameritech's policy of not allowing Brooks' customers to select Ameritech as the customer's intraLATA toll service provider.

4. Order Ameritech to make Brooks economically whole for the damages suffered as a result of the violations set forth in this complaint.


5. Assess penalties against Respondents for violation of §§ 305, 310, and 502 of the MTA under the provisions of § 601.

6. Grant such further relief as the Commission may deem to be appropriate.


Respectfully submitted,

**Brooks Fiber Communications of
Michigan, Inc.**

Dated: March 21, 1997


Larry VanderVeen, its Regional Vice-
President

BUTZEL LONG

By: 
William R. Ralls (P19203)
Leland R. Rosier (P33827)
118 West Ottawa Street
Lansing, Michigan 48933
(517) 372-6622
(517) 372-6672 (FAX)
**Attorneys for Brooks Fiber
Communications of Michigan,
Inc.**

Dated: March 21, 1997

K

EXHIBIT K

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of:)
)
)
)

CC Docket No. 97-137

Application by Ameritech)
Michigan Pursuant to Section)
271 of the Telecommunications)
Act of 1996 to Provide In-)
Region, InterLATA Services in)
Michigan

DECLARATION OF WILLIAM LOCKWOOD

William Lockwood declares the following upon his personal knowledge:

1. I am President of Telcom NetLink, Inc. For the past several years, with various companies that I have helped to organize, I have marketed and distributed telecommunications services, primarily in Michigan. My responsibilities have included management and oversight of marketing and sales staffs numbering in excess of 30 persons at any one time. In my experience, the gathering and evaluation of market information and market conditions is an important part of the business of telecommunications distribution and sales. As a result, I have made it a central part of my daily and weekly routines to keep up to date about the telecommunications services available in Michigan, customer preferences and practices, and the market penetration of various promotions or service plans offered to the available customer base.

2. In January 1992, I began to sell IntraLata toll service plans offered by Ameritech to business customers in Michigan. For the next four and one-half years, my marketing and sales

staffs and I actively sold such Ameritech plans to business customers. Originally called "Ameritech Value Calling Plan," the plans are now marketed under the name "ValueLink."

3. The various versions of ValueLink plans that Ameritech has offered have terms ranging from one to three years, with the three year term being the most common. Under these plans, the customer commits to a minimum level of IntraLata toll usage. If the customer decides to terminate the plan before the expiration of the selected plan period, the plan agreement provides that Ameritech will bill the customer, in one lump sum, a termination charge based on the minimum usage amounts and the number of months remaining on the plan. Under the most recent versions of the plans, the termination charge is set at the monthly minimum amount multiplied by the number of months remaining of the plan period.


4. My sales staffs and I have been highly successful in selling ValueLink plans to business customers throughout Michigan. Other distributors have had similar success. Based on all the marketing information that I have received over the past several years, I am confident that at the present time Ameritech has at least 60 percent of the available business customers within Michigan signed up to a ValueLink plan for IntraLata toll services.

5. For the past several years, Ameritech also has offered ABS Centrex services to small and medium sized businesses under long term contracts. The typical term for such contracts is seven years. As with the ValueLink plans, Ameritech's ABS Centrex plans provide that upon early termination, Ameritech will bill the customer, in one lump sum, a termination charge computed on the basis of the amount of time remaining on the plan. My sales staff and I were quite successful in selling Ameritech ABS Centrex plans.

6. Ameritech also offers special pricing contracts to high volume users of local exchange services. Such customers are signed up for volume discounts under long term contracts

with minimum usage commitments and early termination charges that resemble the provisions of the ValueLink and Centrex plans.

I declare under penalty of the laws of perjury of the United States that the above statements are true and correct. Executed on 6 June 1997.



William Lockwood

L

EXHIBIT L



FILE

Anne K. Bingaman
Senior Vice President
President, Local
Telecommunications Division

June 5, 1997

VIA FAX

Mr. Neil Cox
President
Ameritech Information Industry Services
350 North Orleans, Floor Three
Chicago, Illinois 60654

Dear Neil:

As you know, I both met with and wrote to you on May 22, 1997 (now over two weeks ago) about Ameritech's long-term ValueLink contracts for intraLATA toll, and their foreclosure of up to 50% of both the local and intraLATA markets from competition from LCI and other CLECs. Despite your pledge to get back to me promptly on issues that I raised on May 22, I have heard nothing from you on this important issue.

In the meantime, LCI has discovered additional information about the specific terms of Ameritech's contracts and its policies and practices in this area. This new information has not only not allayed our concerns, it has raised them substantially.

For example, we have now obtained the 1997 version of Ameritech's ValueLink Plan. This 1997 Plan locks customers into "Minimum Annual Revenue Commitments" of between \$50,000 and \$200,000 annually for two or three year terms. See Ex. A. The termination charge in these contracts is the entire lifetime value of the contracts, with **no discount**. Thus, if a \$200,000 per year Ameritech ValueLink customer asks to switch to LCI after the first year of a three year ValueLink contract, the terms in the Plan would require the customer to pay Ameritech fully **\$400,000**, or require LCI to assume that amount of liability, just to obtain new local service. It is difficult to imagine a more effective weapon to discourage customers from switching their local service to competitors.

To the best of my understanding, Ameritech will not waive these charges.^{*} Accordingly, despite the clear intent of the 1996 Telecommunications Act to open local markets to competition, Ameritech's ValueLink contracts, apparently ubiquitous throughout Michigan and other parts of Ameritech's territory, act to lock customers in to Ameritech, not just for intraLATA, but for local service as well.

In my May 22 letter and attachments, I told you that Ameritech has asserted to LCI repeatedly that its billing system is so designed that the local and intraLATA portions of its customer's bills cannot be segregated. Ameritech's designated representative on LCI's account has been telling us since April that it is the internal billing system which ties the ValueLink and local portions of a customer's telecommunications service to Ameritech. This in turn precludes LCI from offering local service in 2 PIC areas to Ameritech customers who desire to be on a ValueLink Plan for intraLATA services. See Ex. B hereto, also included as an Exhibit in my May 22, 1997 letter.

My urgent question to you is: is it correct that this is a billing system limitation? If so, it should be fixed instantly, because the entirety of the local market which also has a ValueLink contract is closed to LCI and other local service competitors until it is.

However, I have recently been given reason to doubt the accuracy of our Ameritech account manager's response. Just this week, we discovered positions that Ameritech has taken in response to the Brooks Fiber complaint before the Michigan PSC. Ameritech's position in that docket is, effectively, that it is simply an Ameritech "policy" to tie local service and intraLATA toll sold under ValueLink contracts. If that is the reason, the policy itself raises serious competitive concerns. According to its own answer in that proceeding, Ameritech does in fact provide intraLATA toll service to customers of certain independent local exchange companies in Michigan, but not others. The companies for whose customers Ameritech provides such services happen to be those LECs with which Ameritech does not compete for local service. Consequently, if it is a policy choice and not a billing systems issue, Ameritech's refusal to offer intraLATA toll service to customers using LCI for local service constitutes an unlawful tie-in under sections 1 and 2 of the Sherman Act.

^{*} In our May 22 meeting, you offered the possibility of waiving termination charges imposed in ValueLink contracts if LCI would mutually waive termination charges in its long distance contracts. I did and do dismiss this suggestion out-of-hand, for the obvious reason that LCI's market share is in the single digits in Michigan, and any contracts we have to obtain in a fully competitive, open market. By contrast, Ameritech's ValueLink contracts were imposed by a party with dominant market power, and they should be waived or voidable at the option of the customer.

Any question about Ameritech's ability to offer intraLATA toll service to end users of competing local service providers would appear to be answered by the settlement terms to which Brooks Fiber and Ameritech have agreed in Michigan. In light of the Brooks settlement, please state whether Ameritech is now willing and able to provide intraLATA toll service to local customers of LCI and other competing LECs.

The size of the termination penalties built into the ValueLink Plans has forced LCI to put a growing number of live resale orders "on hold". Here is a sample of that list, which is growing:

	Plan	Date on CSR	Lines	State
Customer Location A	ValueLink Plus Level 3	11/13/96	6	MI
Customer Location B*	ValueLink Plus Level 2	12/17/96	6	MI
Customer Location C*	ValueLink Plus Level 2	12/17/96		MI
Customer Location D*	ValueLink Plus Level 1	3/4/97		MI
Customer Location E*	ValueLink Plus Level 1	3/14/97		MI
Customer Location F	ValueLink Plus Level 3	11/13/96	6	MI
Customer Location G**	Toll Plan Security Opt A - 36 Mo	5/22/95	11	OH
Customer Location H**	Toll Plan Mobil MAUC - 3 Yrs	11/8/95	13	OH

* Customer Location B, C, D and E are the same customer, LCI is unsure if the 6 lines on Customer Location B are the same number of lines on each location, or if they are spread through all locations

** Customer Location G and H, even though they state "Toll Plan", in the comments section of the CSR is stated "ValueLink"

These orders are on hold, and we are getting requests daily from sales persons who want us to tell them whether they can sell LCI local service to customers with Ameritech's ValueLink Plan. Without a response from you on this issue, we are in limbo.

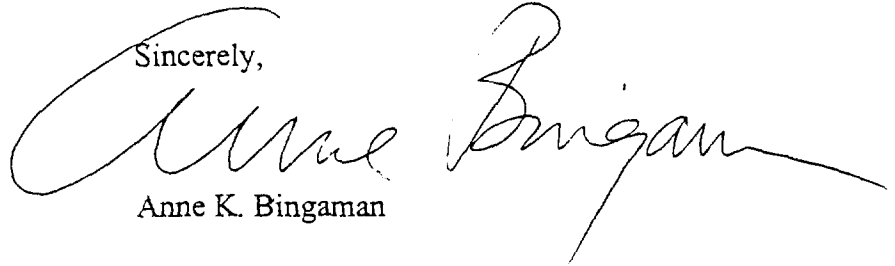
For the reasons I have set forth at some length above, I can see no legal or economic justification for the huge termination penalties in Ameritech's ValueLink Plan, or for its policy; as set forth in the Brooks proceeding in Michigan, for blatantly tying local service to intraLATA toll, thereby blocking access to huge portions of the local market from LCI and other competitors.

Mr. Neil Cox
June 5, 1997
Page 4

If this truly is a billing system issue, I reiterate my urgent request that Ameritech fix its systems immediately, because of the size of the local market locked into Ameritech due to the facts set forth in this letter.

I look forward to your reply.

Sincerely,

A handwritten signature in cursive script, reading "Anne K. Bingaman". The signature is fluid and extends to the right with a long horizontal stroke.

Anne K. Bingaman

attachment
AKB:slg

~~CONFIDENTIAL~~ (L)

Ameritech ValueLink Extra Agreement

This is an Agreement between _____ ("Customer") and Ameritech Information Services, Inc. as agent for Ameritech Michigan ("Ameritech"). ValueLink Extra (hereinafter the "Service") is offered pursuant to the tariffs filed with the appropriate state public service commission.

1.0 Term: This Agreement commences on the 15th of the month after the Service is activated at all customer locations by Ameritech and continues for the term specified on Attachment A herein.

2.0 Service Description: ValueLink Extra is an optional calling plan under which Customer receives a discount on certain Ameritech services provided Customer commits to Minimum Annual Revenue Commitment (MARC) and Minimum Annual Toll Usage Commitment (MATUC). ValueLink Extra is currently offered pursuant to Tariff 20, Part 9, Section 3.

2.1 Total Volume Discount: ValueLink Extra discounts apply to Ameritech intraLATA services: direct-dialed, station-to-station toll; toll-free 800/888; Ameritech calling card toll usage. ValueLink Extra discounts are based upon the Customer's selected (MARC) as specified by Customer in Attachment A of this Agreement. Customer's discount shall not exceed \$50,000 annually.

2.2 Minimum Annual Revenue Commitment (MARC): All of the Ameritech billed rates and charges for the services listed in Section 2.1 plus ISDN Direct and Centrex Access lines and features contribute to the satisfaction of the MARC. In the event Customer's applicable usage falls below the MARC, Customer will be billed the difference between actual usage and the commitment level on an annual basis. The MARC is the same for each year of this Agreement.

2.3 Minimum Annual Toll Usage Commitment (MATUC): To be eligible for the ValueLink Extra discounts, a Customer must commit to a MATUC, which is satisfied by the following Ameritech intraLATA services: direct-dialed, station-to-station toll; toll-free 800/888; Ameritech calling card toll. MATUC usage is billed on a per minute basis, initial increment of 18 seconds, additional increments of 6 seconds or fraction thereof. Customer must select and/or route intraLATA toll calls to Ameritech for all Account Telephone Numbers included in this service. The per minute rates are based upon the usage commitment as specified by Customer on Attachment A of this Agreement and apply to intraLATA toll, toll-free and calling card toll usage. The MATUC is the same for each year of this Agreement. Upon expiration of this Agreement, rates will convert to measured transport service rates.

2.4 Growth Bonus: Customer is entitled to an additional 10% "Growth Bonus" on all incremental revenue. Incremental growth is based on year over year Ameritech revenue on Customer accounts and services under this Agreement. Customer will receive the Growth Bonus in the form of a lump sum credit to the customer's master account number, not to exceed \$2,500 per year.

Ex. "A"

1/7/97

(A-1)

②

2.5 Eligibility: Customer is the customer of record on each of the services and is the billed party for each of the services covered under the contract. Tariff recurring and non-recurring charges apply to all services contributing to the volume discount under this Agreement unless specified otherwise herein. Customer may include under this Agreement up to 150 "business locations." "Business locations" is defined as the service address of the telecommunications service included under this Agreement. Local, state and federal additional charges, including, but not limited to, taxes and End User Common Line Charge shall not contribute to Customer's revenue volumes and are not eligible for a volume discount. A telecommunications service covered under this Agreement is not eligible for any other Ameritech discount plan, promotion or rate reduction for the term of this Agreement, except as stated in section 3.0 of this Agreement.

3.0 Conversion: Termination liability charges will not apply if during the term of this Agreement, Customer converts to another Ameritech access/usage plan under a contract term equal to or greater than the time remaining under this Agreement and under which Customer's revenue commitment is equal to or greater than the commitment under this Agreement.

4.0 Early Termination: Customer's right to the rates under this Agreement are based on Customer's commitment to ValueLink Extra for the term of this Agreement. In the event Customer terminates this Agreement prior to its expiration, Customer shall be liable for termination charges, except as provided in section 3.0 of this Agreement. The Customer will be billed in a lump sum equal to the unsatisfied MARC for each year or portion thereof remaining on the contract. Termination charges will be billed to Customer on its monthly Ameritech statement or Customer's Ameritech final statement.

5.0 Entire Agreement: This Agreement constitutes the entire Agreement between the parties and supersedes all prior or written representations and agreements between the parties. This Agreement may not be added to, modified, superseded or otherwise modified unless in writing and signed by all parties.

6.0 Assignment: Customer shall not assign this Agreement without prior written consent of Ameritech, such consent will not be unreasonably withheld or delayed.

7.0 Liability: The liability, if any, of Ameritech, its affiliates, successors, agents or assigns for damages to Customer or to any third party whether in negligence, tort, contract or otherwise, for any mistake, omissions, interruptions, defects, delays, errors, injuries, non-performance failures of the service covered under this Agreement is limited to an amount equal to a prorata adjustment of applicable recurring charges for the service or any portion of the service.

ATTACHMENT A:

Select one MARC and one MATUC commitment. The MARC & MATUC must be of identical term length.

Minimum Annual Revenue Commitment (MARC)

Customer will receive a volume discount according to the Schedule below based upon the Customer-selected MARC (Minimum Annual Revenue Commitment) as indicated by Customer's check mark in the box associated with the dollar volume and term length. One box only may be marked. If more than one box is marked, this Agreement is not valid.

MARC

\$ 50,000
\$ 75,000
\$100,000
\$150,000
\$200,000

Term Length/Volume Discount

2 Year

☐ 5%
☐ 6%
☐ 7%
☐ 8%
☐ 10%

3 Year

☐ 7%
☐ 8%
☐ 9%
☐ 10%
☐ 12%

Minimum Annual Toll Usage Commitment (MATUC)

The following schedule applies and is based upon Customer-selected usage volume commitment and contract term as indicated by Customer's check mark in the box. Only one box may be marked, if more than one box is marked, this section of the contract is not valid.

MATUC

\$ 3,000
\$ 6,000
\$12,000
\$30,000
\$50,000

Term Length/Rate per Minute

2 Year

☐ 0.120
☐ 0.110
☐ 0.100
☐ 0.090
☐ 0.085

3 Year

☐ 0.105
☐ 0.100
☐ 0.090
☐ 0.080
☐ 0.075

Your signature acknowledges that you understand and accept the terms and conditions for the Ameritech ValueLink Extra service and that you are authorized to make the commitment and order service for this account.

CUSTOMER

AMERITECH

Authorized Customer Signature

Ameritech Representative Signature

Print/Type Name & Title

Print/Type Name

Date

Date

Company Name

Ameritech Address

Company Address

Ameritech City/State/Zip

Company City/State/Zip

AD/Ameritech

()
Master Account Telephone Number*

()
Telephone Number

Sales Code

Salesperson

*Additional Account Telephone Numbers shall be as referenced in Attachment B.

This section for internal use only

Contracts must be returned by salesperson to:
EBS Contract Administration
225 W. Randolph - Fl 25C
Chicago, IL 60606

Initials: _____
Contract Start Date: _____
Growth Baseline: _____

1/7/97

(A - 3)

LCI International®

Worldwide Telecommunications

May 2, 1997

Michael O'Sullivan
Ameritech
7802 Quarry Cliff Court
Reynoldsburg, Ohio 43068

Dear Mike,

This letter serves to document our discussions over the last few weeks with regard to the ValueLink service which is offered by Ameritech to its customers.

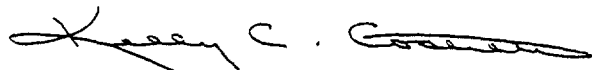
As we discussed on our 4/21/97 conference call, and documented in LCI's issue list dated 4/28/97, the only two ways that Ameritech will allow LCI to resell ValueLink service are: 1) by LCI assuming the customers contract; or 2) having the customer terminate their contract with Ameritech and pay the penalty associated with termination.

On 4/21, I also asked you if it was possible for LCI to resell only local service to the customer; you stated that the local and intraLATA toll are both on the same billing system at Ameritech so they cannot be split, i.e., LCI cannot resell local only. This brings up another important issue of Ameritech's ability to support IntraLATA Presubscription (2-pic) in certain Ameritech regions.

Per our conference call on 4/28/97, you wanted to know why I was keeping this issue "ongoing" on LCI's issue list and I told you that we want to be able to resell this service without assuming the contract or having the customer pay a penalty for terminating the contract. You said you would look into this further and get back to me with a response.

As you know, LCI was unaware of this policy until recently. We consider this policy to be anti-competitive and in some cases, will exempt up to 50% of Ameritech's base to real competition. You and I have discussed the importance of this issue several times this week and I look forward to immediate resolution of this issue.

Sincerely,



Kelly C. Costello

cc: Anne Bingaman
Greg Casey
Mike Wajsglas

Ex. "B"

EXHIBIT M



444 Michigan Avenue
Room 1750
Detroit, MI 48226
Office: 313-223-8033
Fax: 313-496-9326

Craig A. Anderson
Counsel

April 18, 1997

Ms. Dorothy Wideman
Executive Secretary
Michigan Public Service Commission
P.O. Box 30221
Lansing, MI 48909

MICHIGAN PUBLIC SERVICE
FILED

APR 18 1997

COMMISSION

Re: MPSC Case No. U-11350.

Dear Ms. Wideman:

Enclosed for filing in the above-referenced case is an original and fifteen copies of the Answer and Affirmative Defenses of Ameritech Michigan.

Very truly yours,

Craig A. Anderson (ls)

Enclosure

cc: All Parties of Record

CAA:jkt

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION APR 18 1997

COMMISSION

In the matter of the complaint of BROOKS FIBER)
COMMUNICATIONS OF MICHIGAN, INC.)
against AMERITECH CORPORATION and)
MICHIGAN BELL TELEPHONE CO., d/b/a)
AMERITECH MICHIGAN, regarding)
discriminatory practices as it relates to the)
termination of intraLATA toll traffic.)

Case No. U-11350

ANSWER AND AFFIRMATIVE DEFENSES
OF AMERITECH MICHIGAN

Ameritech Michigan,¹ for its answer to the following numbered paragraphs of the complaint of Brooks Fiber Communications of Michigan, Inc. (Brooks Fiber) filed herein on March 21, 1997, states as follows:

1. Ameritech Michigan does not contest the allegations in Paragraph 1 of Brooks Fiber's complaint.
2. Ameritech Michigan does not contest the allegations in Paragraph 2 of Brooks Fiber's complaint.
3. Ameritech Michigan denies that it has engaged in any anticompetitive activity as alleged by Brooks Fiber in its complaint or that Brooks

¹ Michigan Bell Telephone Company, a Michigan corporation, is a wholly owned subsidiary of Ameritech Corporation, which owns the former Bell operating companies in the states of Michigan, Illinois, Wisconsin, Indiana, and Ohio. Michigan Bell offers telecommunications services and operates under the names "Ameritech" and "Ameritech Michigan" (used interchangeably herein), pursuant to assumed name filings with the state of Michigan.

Fiber is directly affected by any anticompetitive activity on the part of Ameritech Michigan, and does not contest the remaining allegations therein.

4. Ameritech Michigan admits that under the Michigan Telecommunications Act (MTA), the Commission has specific jurisdiction and authority as described in that Act, and admits that one of the purposes of the MTA is to promote fair and effective telecommunications competition in the state of Michigan. Ameritech Michigan also admits that Section 203 of MTA addresses the authority of the Commission to consider complaints filed with the Commission and denies all other allegations therein for the reason that they are conclusions of law and fact.

5. Ameritech Michigan admits that Brooks Fiber has quoted portions of the MTA in its complaint, but denies all other allegations therein for the reason that they are conclusions of law and fact.

6. Ameritech Michigan admits that Brooks Fiber has quoted portions of the MTA in its complaint, but denies all other allegations therein for the reason that they are conclusions of law and fact.

7. Ameritech Michigan admits that Brooks Fiber and Ameritech Michigan compete with one another within their respective geographic service areas for customers for both local exchange services and intraLATA toll services, and that both Brooks Fiber's and Ameritech Michigan's local exchange customers have the option of selecting different carriers for intraLATA toll service. Ameritech Michigan neither admits nor denies the allegations regarding the example

described by Brooks Fiber, lacking information sufficient to form a belief as to the truth thereof of the allegations therein.

8. Ameritech Michigan neither admits nor denies the allegation of Brooks Fiber therein, lacking information sufficient to form a belief as to the truth thereof.

9. Ameritech Michigan states that it does not currently offer intraLATA toll services to end user customers of Brooks Fiber's basic local exchange service. In accordance with the Michigan Telecommunications Act (MTA, MCL 484.2101, et seq.) and MPSC rulings, Ameritech Michigan is not obligated to provide intraLATA toll services to end user customers of other local exchange providers with 2-PIC capability. Ameritech Michigan denies all other allegations therein for the reason that they are untrue and are conclusions of law and fact.

10. Ameritech Michigan states that it does provide intraLATA toll service to end user customers of certain independent telephone companies in Michigan pursuant to the primary exchange carrier/secondary exchange carrier (PEC/SEC) relationship (see, e.g., the December 21, 1989 Commission orders in Case Nos. U-9004, U-9006, and U-9007). Ameritech Michigan denies that it is obligated in any way to extend such relationship to Brooks Fiber or any other competitors providing basic local exchange service in Michigan who are not currently party to the existing PEC/SEC relationship for the reason that such allegations are untrue and are conclusions of law and fact. Ameritech Michigan also states that Brooks Fiber has not requested arrangements with Ameritech Michigan which are similar or comparable to the existing PEC/SEC relationship.

Specifically, Brooks Fiber has not requested that Ameritech Michigan perform the role of a primary exchange carrier or that Brooks Fiber perform the role of a secondary exchange carrier in the existing PEC/SEC relationship. Brooks Fiber is an intraLATA toll provider, unlike the secondary exchange carriers and, under Brooks Fiber's proposal, Ameritech Michigan would not be the presubscribed carrier for 1+ intraLATA traffic of all of Brooks Fiber's end users, as is the case with the existing PEC/SEC relationship. Similarly, Brooks Fiber has not indicated that it is willing to enter into any arrangements with Ameritech Michigan for the marketing or sale of Ameritech Michigan's intraLATA toll, products, and services or for the billing of such services. Brooks Fiber markets and offers its own intraLATA toll, products and services, and the intraLATA toll, products, and services of other carriers, to its end user customers of basic local exchange service; thus, Brooks Fiber's end user customers have full service options afforded them. Ameritech Michigan also states that this Commission has already recognized in its March 10, 1995 order in Case No. U-10138 that when another provider of basic local exchange service implements intraLATA dialing parity via "2-PIC" technology, as Brooks Fiber has claimed it has done in its complaint, that participation in offering intraLATA toll services to end user customers of that local exchange provider is voluntary on an exchange-by-exchange basis. (See March 10, 1995 Order in Case No. U-10138, p. 35) At this time, Ameritech Michigan has not made a business decision to voluntarily participate as an intraLATA toll provider to end user customers of Brooks Fiber's basic local exchange service, which management decision is solely within the discretion of Ameritech Michigan. Ameritech Michigan

states that it is not otherwise obligated by statute or any outstanding Commission orders to extend its offering of intraLATA toll services to end user customers of Brooks Fiber's basic local exchange service. Ameritech Michigan denies all other allegations in this paragraph for the reason that they are untrue and are conclusions of law and fact.

11. Ameritech Michigan denies the allegations therein for the reason that they are untrue and are conclusions of law and fact.

12. Ameritech Michigan denies the allegations therein for the reason that they are untrue and constitute conclusions of law and fact.

13. Ameritech Michigan states that it, like other providers of competitive intraLATA toll services in Michigan, offers volume and term discount offerings of services under contracts to customers, some of which are known as Ameritech's ValueLink Calling Plus Plans. Under these types of volume and term discount contracts, customers obtain a discounted rate based upon the commitment to purchase specific volumes of services or commitment to purchase services for a specific period. Such contracts frequently provide that if a customer fails to meet the minimum required usage in a particular period, that the customer agrees to pay an amount equal to the rates for the minimum commitment of the customer. Ameritech Michigan states that these types of contracts are frequently offered by providers in offering intraLATA toll services in Michigan. Ameritech Michigan denies all other allegations in the paragraph for the reason that they are untrue and are conclusions of law and fact.

14. Ameritech Michigan states that some customers who have elected to switch to Brooks Fiber for basic local exchange service have had contracts with Ameritech Michigan for intraLATA toll services such as those described in the preceding paragraph. Ameritech Michigan neither admits nor denies Brooks Fiber's allegation about other customers who may have "expressed an interest in switching to Brooks as their local exchange carrier" for the reason that Ameritech Michigan lacks information sufficient to form a belief as to the truth of this allegation. Ameritech Michigan admits that it does not currently provide intraLATA toll service to end user customers of Brooks Fiber's basic local exchange service, as more fully set forth in its answer to Paragraph 10. Ameritech Michigan denies all other allegations therein for the reason that they are untrue and are conclusions of law and fact.

15. Ameritech Michigan denies that its contracts for intraLATA toll services, as described herein, involve any "penalties" for the reason that such allegation is untrue and is a conclusion of law and fact. Ameritech Michigan states that its agreements with customers for the provision of intraLATA toll services involve minimum revenue commitments or termination liability in the event of early termination by the customer contrary to the terms of the agreement, but specifically denies that such provisions constitute a "penalty" as alleged by Brooks Fiber for the reason that such allegations are untrue and are conclusions of law and fact. Ameritech denies all other allegations therein for the reason that they are untrue and are conclusions of law and fact.